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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
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RUEHAK/AMEMBASSY ANKARA PRIORITY 3554
RUEHBJ/AMEMBASSY BEIJING PRIORITY 1372
RUEHKO/AMEMBASSY TOKYO PRIORITY 1239
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RUEKJCS/JOINT STAFF WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
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RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000386

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E.O. 12958: DECL: 03/27/2018

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SUBJECT: TURKMENISTAN: ENTREPRENEURS' MEETING WITH
PRESIDENT "CONSTRUCTIVE AND OPEN"

REF: ASHGABAT 0370

Classified By: CDA Richard E. Hoagland: 1.4(B), (D).

11. (C) SUMMARY: A Turkmen entrepreneur (and Cochran fellow) who attended President Berdimuhamedov's March 17 announcement of a new effort to develop private entrepreneurship in Turkmenistan told an embassy FSN March 25 that the event was very constructive and open. The entrepreneurs, chosen ahead of time to attend by the quasi-independent Union of Entrepreneurs, had a genuine dialogue with the president about the problems obstructing growth of private business, including corruption, excessive and obstructive bureaucracy, and interference by law enforcement officials. The president seemed to be genuinely interested in hearing what they had to say, and many of these businessmen have been invited to offer input into entrepreneur-friendly legislation that Turkmenistan's parliament is drafting. While Post continues to believe that it will take many years for Turkmenistan to develop a broad private sector, it is encouraging to hear that private businessmen are being consulted on the initial steps. END SUMMARY.

12. (SBU) As reported reftel, President Berdimuhamedov met with Turkmenistani entrepreneurs while at the entrepreneurial products exhibit on March 17 to unveil a new plan to develop private entrepreneurship in Turkmenistan. Serdar Chovdurbayev (please protect throughout), a very successful local cheese producer and graduate of the U.S. Department of Agriculture's Cochran Fellowship program, told an embassy FSN that he attended and spoke at the meeting at the invitation of the Chamber of Commerce, the exhibit organizer. The Chamber was acting under the direction of the Union of Entrepreneurs, a so-far quasi-independent civic organization, which had drawn up the list of invitees.

13. (C) According to Chovdurbayev, entrepreneurs openly spoke out about problems and obstacles hindering private business development during their meeting with the president.

Obstacles they cited and discussed at some length included interference by and bribery on the part of law-enforcement officials, administrative and bureaucratic obstructionism and an unreasonably complicated registration procedure. The president seemed to be genuinely receptive to hearing what they had to say.

¶4. (C) The government is now working on drafting a national plan for development of entrepreneurship. The newly created Union of Entrepreneurs and Industrialists, which will replace the old Union of Entrepreneurs, is collecting recommendations and input from local businessmen on what the plan needs in order to stimulate private business in Turkmenistan. The Union will pass these recommendations to the parliament, which has been tasked with drafting new laws and regulations to support the plan.

¶5. (C) Chovdurbayev reported that, in general, the atmosphere of the exhibit was very constructive. Local entrepreneurs established contacts with each other hoping to pave the way for future cooperation (for example, food producers were able to meet with producers of packing materials). By contrast, in the past, there was an atmosphere of cautiousness and mistrust. In general, according to Chovdurbayev, now there is a great deal of optimism and hope on the part of local entrepreneurs, and they are looking forward to at least some gradual improvements for private business development.

¶6. (C) COMMENT: Chovdurbayev is an astute and -- by Turkmenistan's standards -- very successful businessman. He separately told another embassy contact that one of the

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reasons he is so optimistic is that the president's March 17 meeting offered the first positive movement by the government in support of entrepreneurs in years. Nevertheless, even he admitted that, given the need to change attitudes as well as regulations and laws, it will take tremendous drive and determination on the president's part to transform his call for a new development plan into an effective policy. However, the government, at the moment, seems to be serious about consulting with entrepreneurs on the new plan. In fact, as embassy sought to follow up with another of the successful entrepreneurs who attended the meeting, its meeting was unexpectedly cancelled because the entrepreneur had been called to a planning meeting with government officials. END COMMENT.
HOAGLAND